

FISCAL NOTE

SB 1771 - HB 1589

March 5, 2007

SUMMARY OF BILL: Requires any state funding required to compensate local governments for any increase to local government expenditures related to any proposed legislation be funded by either: (1) a new revenue source or an increase in an existing revenue source enacted prior to the enactment of the appropriations act; or (2) a reduction in appropriations for other programs.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The fiscal impact of this bill is dependent upon several unknown factors such as (1) the number of future laws that will increase local government expenditures beyond the \$1,000,000 limit; (2) the extent of increased local government expenditures above the \$1,000,000 limit; and (3) the frequency with which the reduced appropriation method is selected to fund the state’s share of the increased local government expenditures. For instances when the reduced appropriation method is used, state funds appropriated for certain state services would shift to local governments. However, the extent of such shift cannot reasonably be quantified. For instances where an existing revenue source is expanded or a new source is created, the amount of such increase cannot reasonably be quantified.

Assumption:

- Under current law (T.C.A. 9-4-5302), the state’s share of costs mandated on local governments is funded by growth in state-shared tax revenue, up to \$1,000,000. Any portion exceeding \$1,000,000 requires an amendment to the appropriations bill that will result in additional funding to cover such portion.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director